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NBC'S "MEET THE PRESS"

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SPEAKERS: DAVID GREGORY, HOST

DAN PFEIFFER, SR. ADVISER TO THE PRESIDENT

SEN. MITCH MCCONNELL, R-KY., MINORITY LEADER

REP. DAVE CAMP, R-MICH.

REP. XAVIER BECERRA, D-CALIF. [*] GREGORY: This Sunday, damage control by the White House on several fronts. How much harm will it do to the President's second term agenda?

President Obama under a cloud of scandal, as Congress bears down on IRS officials who targeted conservative groups.

(BEGIN VIDEO CLIP)

MR. KELLY: This week confirms everything that the American public believes. This is a huge blow to the faith and trust the American people have in their government.

(END VIDEO CLIP)

GREGORY: The key questions now -- who initiated the targeting and why? Who else in the administration knew? And why was Congress misinformed for so long?

With us this morning, the President's senior adviser, Dan Pfeiffer; the Republican Leader in the Senate, Mitch McConnell of Kentucky; and the man leading a congressional investigation into the IRS, chairman of the House Ways and Means committee, Dave Camp.

And later the political fallout from Benghazi and the Justice Department seizure of phone records from the Associated Press.

Plus former Secretary of Defense Donald Rumsfeld returns to MEET THE PRESS. This time he's out of office and weighing in on the big issues in "Rumsfeld's Rules: Leadership Lessons in Business, Politics, War and Life."

UNIDENTIFIED MALE: From NBC News in Washington, the world's longest running television program, this is MEET THE PRESS with David Gregory.

GREGORY: Good Sunday morning, tough week for President Obama. One columnist wondering this morning if the President like President Clinton before him could actually emerge stronger from all of this, while others see the swirl of these controversies making it harder for the President to succeed with his second-term agenda. Include implementing health care reform.

The President himself is trying to move forward he's going to address graduates at Morehouse College in Atlanta this afternoon.

And reports this morning that on Thursday he'll deliver a major speech on counterterrorism at National Defense University.

Here with us this morning one of the men trying to direct a response to all of these controversies, the President's senior adviser, Dan Pfeiffer, a man who has been with the President since his 2008 campaign. Dan, good to have you here.

PFEIFFER: Thank you David, thanks for having me. GREGORY: I've been reading over the weekend Denis McDonough the chief of staff saying that the White House won't spend more than 10 percent on these controversies. Jay Carney, the Press Secretary, dismissed the idea that these are scandals at all. Is that the President's view that these are nothing more than mere distractions, minor distractions?

PFEIFFER: Well I think there is no question there's a very real problem at the IRS. It's a problem that needs to be addressed and we need to make sure it never happens again. And that's why the President has asked for the resignation of the acting IRS commissioner and we've appointed a career public servant who serves presence of both parties to go in as acting commissioner and do a 30-day top-down review and make sure that this never happens again and those who did wrong are held accountable.

GREGORY: So you don't buy the unifying theory here that there's some big cloud now of scandal over this President?

PFEIFFER: No I do not and I think we've seen this playbook from the Republicans before. What they want to do in they are lacking of positive agenda is try to drag Washington into a swamp of partisan fishing expeditions, trumped up hearings and false allegations, we're not going to let that happen. The President has got business to do for the American people.

GREGORY: We're going to hear in a few minutes from the chairman of the Ways and Means committee Dave Camp and he had hearings where he's bearing down on the IRS officials. Steve Miller who is the acting official is now dismissed. And this is one of the things that he said. I want to get your reaction to it.

(BEGIN VIDEO CLIP)

CAMP: Listening to the nightly news, this appears to be just the latest example of a culture of cover ups and political intimidations in this administration. It seems like the truth is hidden from the American people just long enough to make it through an election.

(END VIDEO CLIP)

GREGORY: How do you react to that?

PFEIFFER: Well there is no evidence to support at that. The first time the White House was aware of this investigation was a few weeks ago when our Capitol office was notified that it was happening. And at that point, we had no idea what the facts were.

And it's not just -- let's be very clear it wasn't just the White House and the Treasury Department who are aware of this, Congressman Issa has been aware of this investigation since before the election. And he didn't say anything publicly for a very good reason. And as he said, you want to make sure you actually have facts before you raise allegations -- whether you -- whether you're talking about a nonpartisan entity like the IRS. GREGORY: But there was information being reported about in the course of the election year about potential targeting. Do you not see the White House falling down on the job, the administration more generally failing to look into something that is so incendiary the idea of targeting political group?

PFEIFFER: So it was looked into by the independent inspector general. That's exactly how the process should work. And now we have a report and the question is what are we going to do about that report? It's actually to make sure it doesn't happen again.

GREGORY: But could the administration have done something independent of what the -- what the inspector general is doing is my question?

PFEIFFER: No, we have a cardinal rule in these situations, as any -- as any administration in the White House would have which is you don't interfere in an independent investigation, and you don't do anything to give the appearance of interfering with an investigation. So we took the exact right appropriate steps here.

GREGORY: You talk about a GOP play book. You made a comment on Twitter this weekend which you said "GOP Overreach" to a tweet that referenced Michele Bachmann in a quote that she has said recently which is -- this -- and she's of course the Republican from Minnesota. "There isn't a weekend", she said, "That hasn't gone by when people have asked me about impeaching Obama." That is from Michele Bachmann.

Now when you commented on that, is that you going on the offense saying "See this is the GOP overreaching?" Or is this something that you're actually concerned about?

PFEIFFER: Well there is no question that we want to that Republicans are trying to make political hay here. And let's we have to know what the facts are. Because if the independent inspector general's report said two things that are very important, one, that there is no one outside of the IRS -- that there is no evident to anyone out of the IRS influenced this conduct here and two, that he did not believe that there was political motivation.

Now the conduct was outrageous and shouldn't have happened regardless of the motivation but the idea to try to

turn this into something -- Congressman Steve King from Iowa, a leading Republican, said that you give an example of overstatement and overreached, that Benghazi was Watergate and Iran-contra times ten. Everyone needs to take a deep breath and we should work out and resolve the problem, not try to score political points.

GREGORY: Should the President have known sooner about the targeting of the IRS?

PFEIFFER: No. He should -- he this is how the exact -- as I said we do not ever do anything to be appearing to have interfering with an investigation. What would be an actual scandal would be if we somehow were involved in this or some of the other things. We handled this the right way. GREGORY: But you -- look, you're a communications professional as well. You have advised presidents, you never want a President of the United States coming out and saying I just learned about this from news reports. It doesn't look like somebody who is large and in charge of his administration fair?

PFEIFFER: No in this situation -- no in this situation that's exactly what you want. Because you don't want the President involved in an independent investigation of an agency with an independent stature like the IRS that would be entirely inappropriate.

GREGORY: Well quasi-independent. Because the Treasury Department does oversee them and the Secretary could have done more. This is not completely walled off, this is not exactly like not being able to interfere in a criminal investigation at justice for instance.

PFEIFFER: Right but the IRS as it has an independent stature for very good historical reasons we all know and it's treated that way because a president once in a White House got involved with the IRS and led to the greatest political scandal in our history.

GREGORY: But the head of the IRS was a political appointee. And the question of whether --

(CROSSTALK)

PFEIFFER: Well the acting head --

GREGORY: Right.

PFEIFFER: -- the head of the IRS when this happen was actually a Bush appointee because the IRS appointment extent beyond one presidency and two first the acting commissioner was a career civil servant.

GREGORY: The other question is should Congress have known more? Were they repeatedly misinformed? Look at this exchange questioning going on in March of 2012. March of last year watch.

(BEGIN VIDEO CLIP)

REP. CHARLES BOUSTANY (R-LA), HOUSE WAYS AND MEANS COMMITTEE: We've seen some recent press allegations that the IRS is targeting certain Tea Party groups across the country, requesting what have been described as onerous document requests, delaying approval for tax exempt status. Can you give us assurances that the IRS is not targeting particular groups based on political leanings?

DOUG SHULMAN, IRS COMMISSIONER: Just let me start by saying, yes, I can give you assurances. As you know, we pride ourselves on being a non-political, nonpartisan organization. There's absolutely no targeting.

(END VIDEO CLIP)

GREGORY: Now that's not true. It's not clear at that point that he actually knew Mr. Shulman, there's no evidence that he did know at that point. The bottom line is why was Congress repeatedly misinformed?

PFEIFFER: Well actually in fact as we learned just the other day Congress was informed by the inspector general, kept briefed Congressman Issa who requested the original probe on this.

(CROSSTALK)

GREGORY: Last fall?

PFEIFFER: Last fall.

GREGORY: Last fall.

PFEIFFER: And the Congressman Issa did an interview on Monday where he said that he was pretty much aware of what the results -- what the report was going to say before it came out. So he was aware.

Now, I can't speak to what former Director Shulman knew. I think the acting commissioner former Commissioner Shulman. Maybe the acting commissioner talked about that. But as a general principle we want to work with Congress on all of these issues.

GREGORY: One more on this Kim Strassel writing on the "Wall Street Journal" level this charge of the Obama saying it really does started on the top and here was her reasoning her argument, she said "The media and Congress are sleuthing for some hint that Mr. Obama picked up the phone and sicced the tax dogs on his enemies. That's not how things work in post-Watergate Washington. Mr. Obama didn't need to pick up the phone. All he needed to do was exactly what he did do, in full view for three years, publicly suggest that conservative political groups were engaged in nefarious deeds, publicly call up by name political opponents whom he'd like to see harassed; and publicly have his party pressure the IRS to take action." Is that valid?

PFEIFFER: No I think look, the Republican -- some Republicans here are desperately looking to -- to make political hay. I mean you don't -- but don't take my word for it. Take the word of the independent inspector general who said there was no evidence that there is influence outside of the IRS -- that influence outside the IRS led to this country.

GREGORY: Were the Democrats pressuring the IRS to look into some of these groups on either side, conservative or Democrat?

PFEIFFER: I mean there are people who have raised questions about how these 501 c4 organizations operate in our new campaign finance environment but as it relates to the White House and the administration that will be involve in it.

GREGORY: But I remember doing Abu Ghraib you know during Iraq people said well look, Abu Ghraib happened and we're going to be talking to Donald Rumsfeld later in an atmosphere where enhanced interrogation was countenance by this administration. So it's not a big lead to see how this happens. You've got a President who is politically -- who is campaigning against these groups in many ways, campaigning against the laws, Supreme Court decisions that allowed these groups to proliferate on the left and the right and a bureaucracy could take cues from that. Is there anything valid about that?

PFEIFFER: I don't -- I don't think so. I don't think that's what the inspector general found and this president finds this conduct deplorable. And that's why he took the steps, he took right away this should never happen again. And this is a breach of the public trust. And we have to work together to rebuild that trust. That's require Republicans to do this in a legitimate serious governmental way and not play politics with it.

GREGORY: Let me ask you about Benghazi, the attack on our consulate, four Americans and including our Ambassador killed. More e-mails released by the White House here. But the President is making it very clear he thinks this is kind of a political hit job by Republicans. Do you acknowledge any mistakes made in the course of communicating to the public about Benghazi or about responding to the Benghazi attack?

PFEIFFER: Well I think we -- we acknowledge that what happened in Benghazi was a tragedy. The independent board led by two of our leading figures, nonpartisan figures, Admiral Pickering, Ambassador Pickering and Admiral Mullen looked at this and they said there are a lot -- said there are a lot of steps to make sure this never happens again. And we're going to take those steps.

But as it relate to political hit jobs here's how you, here's the evidence that proves the Republicans, playing politics with this. They received these e-mails months ago, didn't say a word about it, didn't complain, confirmed with the CIA director whose in the context of those e-mails provided them right after that. And then last week a Republican source provided to Jon Karl of ABC News a doctored version of a White House e-mail that started this entire fear.

After 25,000 pieces of paper are provided to Congress they have to doctor e-mail to make political hay, you know they're getting desperate here.

GREGORY: But you have the President who claims that he called it what it was at the time was an act of terror which is kind of a generic term but we don't have to you know debate that. At the same time the administration both publicly in terms of an interview that he gave to CBS, in addition to what was going on behind the scenes is doing his level best to -- to take out references to a particular terror group involved, to evidence of prior warnings of our security. I mean there was an effort in a lot of --- to either downplay this, critics would say, or to be very cautious at a time when a lot of the information seemed to be known.

PFEIFFER: If you look at the e-mails, they tell you three things that are very important that undermine all the

Republicans allegations. First the idea that this would involve the forecast was included. Now not that's included by the White House or the State Department included by the CIA, two references to terror in al Qaeda were removed by the intelligence community, not the White House or the CIA and three and this is -- I think goes to the heart of your question, what we were trying to do at the time was to get it right based in a very challenging environment with shifting information, at the same time to protect the integrity of the investigation that was going to -- that was going to happen to ensure that we actually got -- brought justice to the people who committed this heinous acts.

GREGORY: The phone record for the AP is an issue. The President and the White House will stand by, the Attorney General fully as this moves forward and questions are raised?

PFEIFFER: Well we certainly -- the President certainly has complete faith in Attorney General Holder. As it relates to this issue and like I said our cardinal rule is we don't get involved in independent investigations and this one of those. As a general principle I think there are two things that are important here that we want to balance. One national security leaks are dangerous, people that put the lives of our intelligence officers, our military at risk.

But two, we have to do it in a way that balances freedom of press, which is why the President called on Congress to pass the media shield law.

GREGORY: Which was sort of convenient and I wonder if the message there from the President is to Congress hey put up or shut up. If you're going to criticize me for not getting involved here then why don't you pass a law that -- that better protects journalists? Is that the message you want to send?

PFEIFFER: Well the message is that we supported this law -- the President supported this law for many years, Republicans -- there's been Republican opposition to it. All of a sudden they seemed -- they have developed a fierce advocacy for the press. And this is an opportunity to demonstrate that by passing this priority of the President.

GREGORY: All right to be continued about these matters. Dan Pfeiffer thank you very much.

PFEIFFER: Thank you David.

GREGORY: I appreciate it very much.

I want to turn now to the top Republican in the Senate Mitch McConnell of Kentucky. Senator welcome back.

MCCONNELL: Good morning.

GREGORY: Let me get right to it and start on the IRS. Why don't you accept the word from not only White House officials but from the former acting commissioner who said these were foolish mistakes about targeting conservative groups but there is not evidence of a political agenda?

MCCONNELL: Actually, there is a culture of intimidation throughout the administration. The IRS is just the most recent example. Let me just recount a few for your audience. Over at HHS back during the Obama care debate, Secretary Sebelius sent out a directive to help insurance companies telling them they couldn't inform their policyholders of what they thought the impact of Obamacare would be on them.

Now she's trying to shake them down for contributions in effect to agree to go out and how to convince the public that they should love Obamacare. Over at the FCC there have been efforts by Obama appointees to shut down or make difficult people who are seeking to buy advertising to criticize the administration.

Over at the SEC the Obama appointees have been engaged in an effort to make it difficult for corporations to exercise their First Amendment political rights. The IRS coming back to the IRS, the head of the union at the IRS gives 99 percent of her campaign money to Democrats. She openly criticizes the Republican House for trying to reduce government spending and has specifically targeted Tea Party groups in her public comments. It's no wonder that the agents in the IRS sort of get the message. The President demonizes his opponent, the head of their union demonizes --

(CROSSTALK)

GREGORY: But Senator that -- that is a leap -- that's a leap that you can make as argument but you don't have facts to back it up. You can create -- I just asked -- I asked --

MCCONNELL: Well, the investigation --

GREGORY: -- asked Dan Pfeiffer about it. You can talk about a culture. Do you have any evidence that the President of the United States directed what you call a culture of intimidation at the IRS to target political opponents?

MCCONNELL: I don't think we know what the facts are. I'll have to tell you this --

GREGORY: But that hasn't stopped you from accusing.

MCCONNELL: Well, what we're talking about here is an attitude that the government knows best. The nanny state is here to tell us all what to do and if you start criticizing, you get targeted.

GREGORY: But let me just stop you for a second. You talk about the nanny state.

(CROSSTALK)

MCCONNELL: Look, David. David, let me finish. David, let me finish. The investigation has just begun. I'm not going to reach a conclusion about what we may find, but what we do know happened is they were targeting tea party groups. We know that.

GREGORY: We do know that. The question is how it initiated, who initiated it and how high that goes.

MCCONNELL: Sure. And that's why you have investigations.

GREGORY: Right.

Back in -- it's interesting -- the larger issue here, as some have pointed out, is the existence of these groups 501-c4 groups who get tax exempt status be they conservative or liberal groups. And the issue here is that it seems only conservative groups were targeted. And they are involved in politics but they're also involved in some kind of social good. And I guess that's in the eye of the beholder.

You were asked about this issue way back in 1987. I want to play for you what you said then and ask you if it's resonant today.

(BEGIN VIDEO CLIP)

MCCONNELL: There are restrictions now on the kinds of activities that, for example, a 501-c3 and 4 organizations, charitable organizations can engage in. They're being abused not just by people on the right but most of the so-called charitable organizations who are involved in political activity in this country who are, in my judgment, involved in arguable violations of their tax-free status and violations of the campaign laws happen to be groups on the left. So that is a problem.

(END VIDEO CLIP)

GREGORY: So that was a problem then and some are arguing it a problem now as well. Is there -- out of all of this do you see more tax reform that addresses whether any of these groups should be tax exempt?

MCCONNELL: It's not whether you have to go back 25 years to find a quote. What we have seen here is an effort on the part of the government to make it difficult for citizens to get organized and to express themselves. There's an effort here also to make sure that you can get their donor list or their membership list. It's reminiscent of NAACP versus Alabama back in 1958 where the state of Alabama tried to get the membership and donor list of the NAACP. The Supreme Court said under the First Amendment freedom of association you can't have it.

There's an effort here in Congress called the Disclose Act to try to get at the donors of these groups. I was wrong 25 years ago, I've been right for the last two decades. The government should not be trying to intimidate citizens who criticize the government from exercising their First Amendment rights. And that's what is at the heart of this and that's what the IRS apparently was doing by making it difficult for citizens to get a legitimate tax exempt status.

GREGORY: I'm saying should these groups if they're that politically involved, and that's what you identified 25 years ago, if they're that politically involved, they shouldn't have tax exempt status. Should the tax code be simpler in this arena to eliminate these questions? MCCONNELL: No, I don't think so. I think the citizens groups, they, you know, have a right to organize, to express themselves and not have their donor list be subjected to federal government supervision and oversight. Because there's no question, it's clear now -- 25 years ago, it wasn't clear but it's clear now that the reason these donor lists and donors are trying to be revealed is so the federal government can target them and shut them up.

GREGORY: Let me ask you about these AP Phone records. This is probably one area where I imagine that you would actually be supportive of what the administration has done, despite some of the criticism because you've expressed your outrage in the past and you've pushed for an investigation of national security leaks.

MCCONNELL: Actually, I do think these national security leaks are very important and it looks to me like this is an investigation that needs to happen because national security leaks, of course, can get our agents overseas killed.

GREGORY: So you don't think that this is a scandal plaguing the administration and are you supportive of Eric Holder as attorney general in light of all of this?

MCCONNELL: What I am supportive of is investigating national security leaks that endanger Americans around the world.

GREGORY: So would this qualify, this seizure of AP phone records?

MCCONNELL: What I -- we don't know yet what has happened here. What I do think is that national security leaks that endanger Americans around the world are a serious matter.

I'm just asking, you have no reason then to doubt or do you what the attorney general did actually did endanger lives in this case.

MCCONNELL: What I'm saying is national security leaks that endanger Americans around the world are a serious matter.

GREGORY: Ok. Including this one?

MCCONNELL: Any time you're leaking national security information, if it endangers Americans around the world, eight serious matter.

I think it's clear what you're saying.

I want to move on to Benghazi and some of the questions that Republicans have been asking about this. If you look at this as objectively as you can, it appears to be an episode of a failure on the part of the administration to adequately secure an overseas outpost compound, diplomatic compound at a time of war when we have been involved in getting rid of Gadhafi in Libya. And perhaps at the very worst some effort by the administration to spin what the actual cause was of the attack. Why does it go anywhere beyond that? MCCONNELL: Well, that's not insignificant. I mean, the fact that the personnel there were not adequately secured is not insignificant.

GREGORY: Right.

Clearly we didn't have enough security there to protect our ambassador and the people on the ground there.

GREGORY: But Republicans are talking about a massive cover-up. The President has said that's very significant but Republicans are talking about a massive cover-up, they're talking about impeachment. I mean, all of these things that seem sort of over the top with regard to what's happening here.

MCCONNELL: I don't think I've said any of those things. I think you're talking about others may have said various things about this. Let me tell you what I think about it. It's clear that there was inadequate security there and it's very clear that it was inconvenient within six weeks of the election for the administration to, in effect, announce that it was a terrorist attack. I think that's worth examining. It is going to be examined. And it's important, you know, this is the first time we've had an ambassador killed in the line of duty since the late 70s.

GREGORY: I do -- well, I want to clarify this because you are the leader of the Republicans in the Senate. You're one of the leading Republicans in America.

Would you call on Republicans who talk about impeaching the President or who talk about this as an Nixonian style cover-up with regard to Benghazi, would you like them to stop it?

MCCONNELL: What I think we ought to do is complete the investigation and find out what exactly happened. And I think we have a sense of what happened. We know there was inadequate security, we know an American ambassador and three other brave Americans got killed. And we know the administration kind of made up a tale here in order to make it seem like it wasn't a terrorist attack. I think that's worthy of investigation and the investigations ought to go forward.

GREGORY: But do you have specific evidence that they made up a tale or was it based on information they had at the time?

MCCONNELL: Well, the talking points clearly were not accurate. And I think getting to the bottom of that is an important investigation.

GREGORY: I just want to come back to this because I think it important, you made a point of saying what you have not said about all of this. There are Republicans in an organized fashion, accusing the President of being Nixonian, of comparing things to Watergate and Iran contra. Aren't you saying that you think that's overblown?

MCCONNELL: I can speak for myself. And what I'm saying is this is an investigation into what happened in Benghazi that is worth conducting. It's important to find out what happened. And that investigation is under way.

GREGORY: Your colleague, from Kentucky, Rand Paul says that Benghazi singularly should disqualify Hillary Clinton from being president. Do you share your view?

MCCONNELL: Oh, my goodness. The 2016 elections are long way away. And we don't even know who the candidates are going to be.

GREGORY: Right. But the question still stands.

MCCONNELL: Look, it's way too early to be talking about the 2016 election in my opinion. We're in the middle of investigating a number of different parts of this administration. There's an obvious culture of intimidation about -- directed toward critics of the administration. All of these things are important to take a look at and we're going to do that.

GREGORY: Do you think that Hillary Clinton was culpable for what happened in Benghazi?

MCCONNELL: I think we'll find out when the investigation is completed who did what and who knew what and when.

Will this -- these issues, all of them, two of them that you are concerned about, will they be fodder for your campaign next year? Do you think it important for Republicans to campaign on these issues to target President Obama and democrats?

MCCONNELL: You know, I don't know what the issue will be next year. If I were predicting what's likely to be the biggest issue in the 2014 election, I think it would be Obama care. I think it's coming back big time.

And by the way, the IRS has a role to play in the implementation of Obama Care, which is another reason why if we have the opportunity to do it, we ought to pull it out root and branch, the single worst piece of legislation that's been passed in modern times in this country and the American people are beginning to learn as the premiums go up, as jobs are lost, the full effect of this on our slow growth economy has been enormous. I think that's likely, frankly, David, to be the biggest issue in 2014. There may be others. And some of these issues may arise as well.

GREGORY: Leader McConnell, I always appreciate you coming back to answer the questions you like and the ones you don't like, the tough ones as well. And I appreciate it. We'll see you soon.

MCCONNELL: Ok. Thanks.

GREGORY: Thanks.

Coming up here, the man leading the investigation into the IRS on Capitol Hill said Friday that the recent revelations about the agency are just the tip of the iceberg. So what more is there? We'll get reaction too, to Dan Pfeiffer from Dave Camp, chairman of the House Ways and Means Committee will be here. Plus, our political round table and the larger political implications of all this. Chairman of the Democratic Caucus, Congressman Xavier Becerra; columnist for the "Wall Street Journal" Peggy Noonan and a man who's no stranger to scandal in Washington -- "The Washington Post's" Bob Woodward.

Later, my conversation with former secretary of defense Donald Rumsfeld; he joins me live. It's all coming up here on MEET THE PRESS.

(COMMERCIAL BREAK)

GREGORY: We've been talking a lot about the IRS and taxes this morning, so that conversation probably of great interest to one lucky Powerball winner in Florida this morning, who will be paying one hefty tax bill. It was a record breaking jackpot, nearly \$600 million and if you needed another reason to move to the Sunshine State, five winners now has more Powerball prize winners than any other state. I did not know that.

If you're that lucky winner, you might want to stick around because coming up, the man who's in charge of investigating the IRS and Congress is here, chairman of the House Ways and Means Committee, Dave Camp -- along with our political round table.

They're all here. They'll respond to what we've heard so far. And we'll get to that right after this break.

(COMMERCIAL BREAK)

GREGORY: We're back. I'm with the roundtable.

I want to begin with Congressman Dave Camp, Republican from Michigan and chairman of the ways and means committee, who is leading the investigation of the IRS on Capitol Hill.

Congressman, welcome.

You heard Dan Pfeiffer, senior adviser to the president, who reacted to your talk of a culture of cover ups. You heard Senator McConnell talk about a culture of intimidation. Your response to what he said this morning.

CAMP: It is tough stuff. but Americans were targeted for their political beliefs. And it went on for years.

The other thing is, officials at the Treasury knew about this a year ago, officials at the IRS knew about this two years ago, congress has been trying to get answers for two years and we were stonewalled.

GREGORY: Stonewalled by the IRS it appears?

CAMP: Well, yes. We don't know where this goes. And frankly, this was an audit, this so-called investigation. We still need to have the investigation. There's a lot we don't know...

GREGORY: But you requested -- congress requested the IG investigation, which you got. You were aware of that, you initiated it and even got some preliminary results about it that Darrell Issa referred to.

CAMP: No, we weren't aware of it. And this is an audit, not an investigation, the investigation as we learned at the hearing is going to come forward soon.

But question is why after repeated hearings and letters to the agency when high-ranking officials in the agency knew about it, why did they not come forward? Because Americans were targeted for their political views, what books they read, what the contents of their prayers were, did they know anyone running for political office?

I mean, I don't care what your political strife, but they only targeted conservative political beliefs.

GREGORY: Which people have stipulated is simply outrageous on both sides, including the president.

I guess my question is, as people really try to figure out what government can and should do in these circumstances, what would you have had the president do? What would you have had even the Secretary of Treasury do? As you well there, there are hundreds of audits that are done every year. And imagine the scandal if the president had tried to intervene, even fire someone before the results of such an audit had been completed. You'd agree, wouldn't you, that you'd be pretty mad if he had done that?

CAMP: Well, there's one thing to meddle in the affairs, but there's another thing to know about it. And the question is, not only what people knew, but what should they have known. This is pretty serious stuff.

GREGORY: So, if the president knew more earlier, what would have come of that?

CAMP: Well, hopefully it would have been stopped sooner. It went on for 18 months.

GREGORY: Right, but it was being investigated. I guess you're saying before even an audit was happening, you would have wanted to know what happened.

CAMP: Two years ago the director of the exempt organization division knew of this and it was -- and again, did anyone up the chain know about it? We don't know that yet. And that's why we have a lot of questions to still answer. We don't know who started this. We don't know why it was allowed to continue for so long. And as one of the newspapers reported, a person from that Cincinnati office said we don't do anything without direction here.

GREGORY: All right, do you have a credible reason to accuse of president of knowing about this targeting? CAMP: We don't have anything to say that the president knew about this. In fact, he says he learned about it on television, that may be the case. But we need to know who started this and why it was allowed to continue for so long.

GREGORY: Before I widen this out, I want to -- you know, both using the IRS unfortunately for political reasons goes back many administrations, Republican and Democrat, and we came across something when it came to resolving some of the ambiguity in the tax code from the "New York Times," look at this headline. This goes back from October of 1927, "Seek to Simply Income Tax Law Joint Committee of Congress Hopes to Makes Phraseology of the Act Clearer."

Does this mess, does this political targeting give some new impetus to resolving ambiguity in our tax code from income taxes to the issue of who should be tax exempt?

CAMP: I think in a general sense, I think a lot of people feel the tax code is broken, it's not fair, it's inefficient, it's so complex. The average family should be able to fill out their own tax forms and file them. They can't now. It takes the average American 13 hours to comply with the code, 6 billion hours in terms of compliance.

I think we need a fairer, flatter, more efficient tax code. The weighs and means committee has held more than 20 hearings on this. We're working with our Senate counterparts Chairman Baucus. Together we've had more than 50. We've had the first hearings together in 70 years.

Look, and I think a more efficient and flatter, fairer tabs code would help the economy and help people get the work they need and also maybe get higher wages if they're already working.

GREGORY: Let me go around the horn here now with Xavier Becerra, Bob Woodward and Peggy Noonan.

Bob Woodward, you're no stranger to these kinds of controversies in Washington. How has the administration handled this this past week?

BOB WOODWARD, WASHINGTON POST: Well, first of all, I mean, people are making comparisons to Watergate. This is not Watergate, but there are some people in the administration who have acted as if they want to be Nixonian, and that's a very big problem.

GREGORY: Who and how?

WOODWARD: Pardon?

Well, I think on the whole Benghazi thing. You look at those talking points and, I mean, the initial draft by the CIA very explicitly said we know that activists who have ties to al Qaeda were involved in the attack. And then you see what comes out a couple of days later and there is no reference to this. This is a business where you have to tell the truth and that did not happen here. GREGORY: Peggy Noonan, you wrote something that really struck me in your column on Friday. And I want to put it up on the screen and ask you about it. "We are in the midst," you write, "of the worst Washington scandal since Watergate. The reputation of the Obama White House has, among conservatives, gone from sketchy to sinister, and among liberals from unsatisfying to dangerous. No one likes what they're seeing. The IRS and AP scandals have left the administration's credibility deeply, probably irretrievably damaged. They don't look jerky now, they look dirty. The patina of high- mindedness the president enjoyed is gone."

I have to say, Peggy, what you don't talk about here is an administration for a man that you work for who led the Iran-Contra scandal with Iran, a secret war and lied to congress and all the rest. Overstatement here?

NOONAN: I don't think so. I think this is -- what is going on now is all three of these scandals makes a cluster that implies some very bad things about the forthcomingness of the administration and about its ability to at certain dramatic points do the right thing.

And I got to tell you, everyone can argue about which of these things is most upsetting, but this IRS thing is something I've never seen in my lifetime. It is the revenue gathering arm of the U.S. government...

GREGORY: But Peggy, but wait a second.

NOONAN: ...going after political...

GREGORY: Richard Nixon specifically directed people to investigate, to audit people. I mean, of course we've seen it in our lifetime.

NOONAN: Understood, but this is so broad. This is extremely broad and very abusive to normal U.S. citizens just looking for their rights.

GREGORY: No questions about the egregiousness of it.

NOONAN: If it doesn't stop now, it will never stop. And the only way it can stop is if, frankly, a price is paid, if people come forward and they have to tell who did it, why they did it, when it started.

GREGORY: Congressman Becerra, I'm struck that Peggy seems to be more critical than Senator McConnell, who clearly did not want to use comparisons to Watergate and Nixon and the like.

BECERRA: Look, the president said it was inexcusable what happened at the IRS, serious mistakes were made. It was wrong and have to make it never happens again. The president has already said I'm cleaning up shop. Two of the top IRS officials are gone.

So there's no disagreement.

Bipartisanly, I think we can all say, this cannot happen again in one of the agencies that we must have trust in.

But as we investigate are we in search of answers or, are we in search of scandals? There's a different thing to say that what happened in Cincinnati with the IRS goes all the way to the White House. There is no evidence.

In fact, the inspector general who looked into this at the IRS said there was no political motivation involved. And quite honestly, I agree with senator, the young Senator McConnell. The reason we have this problem is because we have a tax code that allows groups to use their political operations within the tax code under the guise of a charity to use undisclosed millions of dollars to do political campaigns.

GREGORY: I think he would resent that remark, the young McConnell, even if he agreed with you.

There's some news this morning, new this Sunday morning, a new CNN poll that has the president's approval ratings in pretty good territory, but also a view that there is not an overreaction by the GOP, whether on the IRS or on Benghazi and a view that whether it's the IRS, Benghazi or the AP, a majority saying that these are very important issues for the country.

So as a matter of how much, congressman, this infects the rest of the president's agenda, what do you see?

CAMP: Well, I think that obviously this may increase the need for tax reform because the complexity of the code is such that it's a problem. But let me just in answer to what Xavier said, there's nothing in the code or nothing in any Supreme Court decision that says the IRS should target Americans for their beliefs.

BECERRA: Agreed.

CAMP: We still don't know who directed this. And we're trying to move forward in a bipartisan way to find out answers. But again, for two years we've been seeking answers and didn't get them.

GREGORY: I think it is interesting that we take a look how bureaucracies operate. Do they take cues from the president? Again, I bring up this Abu Ghraib example, because that was really hammered home that Abu Ghraib happened because there was a broader context in the administration.

Do you think that's a fair criticism here?

WOODWARD: Well, I think you have to step back and say what's the theory of governing here? And the theory is, it seems, oh, there are investigations of the IRS so we can't interfere. There is this leak investigation of the AP, so we can't get involved. Oh, there is an investigation of Benghazi so we're not responsible.

The president and the executive branch need to govern on a daily basis and you can't purchase immunity from governing.

GREGORY: But you can't conflate all those things, Bob.

WOODWARD: Yes, you can.

GREGORY: No, you can't say that it's OK for the president to tell the attorney general in a criminal matter what are you doing?

WOODWARD: No, but there is a policy issue here, do you issue this broad-based subpoena on reporters?

GREGORY: Right, but the president can't interfere with that.

WOODWARD: No, no. But you need to have a policy set down and there is proper communication between the attorney general and the White House counsel on matters like this.

NOONAN: Is he president or not? I mean, ultimately these are executive agencies which are proving so deeply problematic.

GREGORY: But again, you cannot mean the Justice Department. You cannot mean the Justice Department.

NOONAN: I'm not sure what you mean.

GREGORY: Well, you can't have the president of the United States telling the attorney -- isn't that what Watergate was in part about. There were directions of people to be fired, that we can't have that kind of political interference, right?

NOONAN: I'm not even sure what you mean.

GREGORY: You can't tell the attorney general not to investigate something or to investigate something. That's the law.

NOONAN: Fine. And if you find out the attorney general went too far and you are the president, can you say I think he went too far? I think there are real problems here, we've got to look into it? That's not the thing.

The IRS thing is really the thing. That involves...

BECERRA: And that's what the president did. The president said it went too far. So those two -- the top officials, the IRS acting commissioner is gone. The president this week...

NOONAN: But how are we going to get to the bottom of what happened?

BECERRA: Absolutely, let's get to the bottom of it. Let's investigate the facts.

CAMP: To prevent it from happening again, you need to know how it happened. And I think a lot of people are asking who's watching the store? And is the level of managerial oversight so bad that it rises to the level of wrongdoing? I think that's the issue. GREGORY: And how at this point do you try to get to the bottom of who directed what happened at the IRS? Because it is a very important question.

CAMP: Well, we do need an investigation. And there is going to be a continued investigation by the inspector-general, as well as congress, who will continue to look at this and bring people forward and get their testimony.

BECERRA: Bipartisan.

GREGORY: But you agree to a special commission, like one of the president's former aides, Robert Gibbs, has suggested.

BECERRA: But let's investigate this to the very bottom.

NOONAN: But why not an independent council? I watched the other day. I saw Mr. Miller, the soon to be former head of the IRS, look at congress and be essentially unresponsive, be essentially, gee, somebody was responsible, I don't know the name, yes, maybe I can get the name for you. That gives you a sense that maybe congress can't get to the bottom of this, maybe an independent council would be a better route.

WOODWARD: Some institutions have a no-surprise rule, which is you need to make sure the person at the top, who is the president in this case, he is constitutionally responsible for the whole executive branch, to be told about things that are going on that are bad. And you can't kind of say, oh, that happened last year and they're investigating. You need to stop the bad things right away.

GREGORY: And the difficulty is this criticism of passivity, as you all are suggesting and I'm challenging you with the other side of that argument but the idea that he is still in charge of the government, has accountability and has to project accountability as we ask all presidents to do.

NOONAN: In the IRS case it doesn't seem passive. I have to tell you, I think wonderful Kim Strassel of the Wall Street Journal, she is correct, the president wasn't passive on that stuff, he was giving dog whistles to people who could launch this thing.

BECERRA: Under this scenario, he's in a no-win situation for the American people. If he had gone into this faster, people would say, oh he's intruding a separate investigation.

GREGORY: All right. I've got to take a break here. We're going to come back. We're going to continue the theme of accountability.

I have a special visitor here, and that is Don Rumsfeld, former secretary of defense, talking about "Rumsfeld's Rules." I'll go one-on-one with him about the new book and some of his views about these big issues facing this president, this administration, including the alarming number of sexual assault in the military, he'll weigh in on that, after this short commercial break.

(COMMERCIAL BREAK)

GREGORY: And we're back.

For our remaining moments, joining me now, author of the new book "Rumsfeld's Rules: Leadership Lessons in Business, Politics, War and Life," the former Defense Secretary Donald Rumsfeld.

Mr. Secretary, welcome back.

You have such an interesting distinction here, because I remember President Bush who I covered called you a matinee idol and now you're soon to be a great grandfather. That's a pretty good combination.

DONALD RUMSFELD, FRM. U.S. SECRETARY OF DEFENSE: It's exciting.

GREGORY: I want to ask you first about a very disturbing subject within the military that, of course, you've worked over for so long and that is sexual assaults in the military. Some of the reported accounts when you were defense secretary, they were reported and then estimates is that much larger number, and the alarming rise between 2010 and 2012. What should the military do about it? Does it have to change the way these crimes are reported at the chain of command and go outside of that to a special prosecutor? What would do you?

RUMSFELD: Well, I don't know that a special prosecutor is the answer, but there is an argument that can be made for handling them in a way different than they're being handled because they're serious. And I would suspect that an awful lot of them don't even get reported. And that's probably true in the public sector, private citizens as well as in the military.

But it's a terrible thing. There has to be zero tolerance. And it appears that something different is going to have to be done. And I wish I knew what the answer was. I don't. But people simply have to not tolerate it.

GREGORY: What about the culture in the military? Is that major part of what's contributing to this? Is it a major part of what's contributing to it?

RUMSFELD: Well, people talk about that in the military, they talk about athletic teams and male environments. I don't know the answer to that. I don't think -- there's certainly nothing about the military that would contribute to it in terms of the purpose of the armed forces. But I don't know the answer. And I think they better really land all over people that are engaged in any kind of abuse of that nature.

GREGORY: There's so much happening in Washington and you are a veteran of so many controversy as even in your most recent incarnation as defense secretary in the Bush administration. You write this from the book, "Rumsfeld's Rules," "If you foul up, tell the boss and correct it fast. Mistakes can usually be corrected if the organization's leaders are made aware of them and they are caught up early enough and faced honestly. Bad news doesn't get better with time. If you have fouled something up, it's best to tell the boss first."

RUMSFELD: That's true.

GREGORY: Accountability, whether it's the IRS or the questions about Benghazi, who is accountable? How do you assess that in these cases?

RUMSFELD: Well, in these cases I don't think they know yet. Clearly the president and in the case of Benghazi, the secretary of state. That's the way life works. But what bothers me about it is that two things really concern me, one, you think of a manager, a leader. When something like that happens, you call people in, you sit them down and you let them know that you intend to find ground truth fast. And he seems not to have done that.

The other thing that's worrisome is, as they say, truth leaves on horseback and returns on foot. What's happening to the president is incrementally trust is being eroded because of the different messages coming out. You know, it important that you avoid the early reports because they're often wrong, and you have to get people in, find ground truth and then communicate that as fast as you can.

To the extent information goes out that proves not to be accurate -- presidents and leaders lead by persuasion. And for persuasion to work -- they don't lead by command -- you have to be trusted. And to the extent trust is eroded, as it is when stories get changed and something more is learned and it kind of incrementally destroys

your credibility, I think that clearly is a problem.

I was worried, for example, I came back from being ambassador to NATO when President Nixon had resigned and President Ford was in office. And the reservoir of trust had just been drained during that experience that we went through.

GREGORY: Well, you saw that first hand.

RUMSFELD: I did.

GREGORY: With President Bush, and a reservoir of trust in your leadership and that of the vice president and that of the president and of course with the Iraq War that trust eroded. Do you see parallels here or are you more sympathetic and less inclined to the critical as some have been among Republicans of this administration having a culture of intimidation or cover-up?

RUMSFELD: Well, clearly, you -- anyone looking at those jobs have to know they're tough jobs. When you've got one big problem, it's a big problem. When you've got two, it's like ten. And when you have three, it's a problem.

It's a perfect storm in there right now. And those jobs are very difficult. And there are a lot of things that make them even more difficult.

GREGORY: But former Vice President Cheney said that they're lying in the administration. Do you think that's overly harsh? Do you think we know that that's true?

RUMSFELD: Well, he may know something I don't know. All I know is that the story has changed repeatedly on Benghazi. I don't know anything about the AP story. It seems to me until we have some sense of that, we can't even begin to make a judgment.

But I think people looking at the changed stories on Benghazi and the way the talking points were altered are of a view that they were trying to support a narrative that in fact did not exist.

GREGORY: We're going to take a break here. More from you on our web incidentally. We'll be back right after this.

(COMMERCIAL BREAK) GREGORY: Mr. Secretary, thank you very much. You are going to stick around here. We're going to do an extended conversation about your book, including a chapter entitled "Meeting the Press." I may show you that old picture I have of you from 1974.

Our viewers can see that special take two on our website this afternoon.

Also a note, that you can watch this week's Press Pass conversation with author and historian Rick Atkinson on the final book in his famous Liberation trilogy about America's liberation of Europe. That's on our blog MeetthePressNBC.com/

That's all for today. If it's Sunday, it's Meet the Press.

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